

REFERENCE TITLE: federal tax intercept proposal

State of Arizona
Senate
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SCM 1004

Introduced by
Senators Tibshraeny, Gray L: Allen, Chevront, Johnson, Verschoor;
Representatives Nelson, Paton, Pearce, Prezelski, Robson, Weiers JP

A CONCURRENT MEMORIAL

URGING THE UNITED STATES CONGRESS TO AUTHORIZE THE UNITED STATES DEPARTMENT OF THE TREASURY TO INTERCEPT FEDERAL TAX REFUNDS TO PAY OVERDUE VICTIM RESTITUTION AND OTHER FINANCIAL OBLIGATIONS ORDERED BY STATE AND LOCAL CRIMINAL AND TRAFFIC COURTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 To the Congress of the United States:

2 Your memorialist respectfully represents:

3 Whereas, between \$500 million and \$1 billion in victim restitution,
4 fines, fees and surcharges are past due and owed to courts across Arizona;
5 and

6 Whereas, under current law, the Internal Revenue Service is authorized
7 to intercept tax refunds for child support debts, state and federal tax debt
8 and federal agency debt, but not for the collection of court-ordered
9 restitution, fines and fees; and

10 Whereas, Arizona law currently allows state tax refunds to be
11 intercepted for past-due court obligations, and in fiscal year 2007,
12 approximately \$7.1 million was collected through this program and distributed
13 to victims and various criminal justice agencies throughout the state; and

14 Whereas, legislation has been introduced in Congress, S. 1287, that
15 would add state court debts to the list of debts that can be withheld from
16 federal tax refunds. It is estimated that approximately \$70 million could be
17 collected for Arizona if federal tax refunds were subject to intercept by the
18 Internal Revenue Service; and

19 Whereas, mechanisms already are in place to intercept this debt and
20 such a plan would result in no loss to the federal budget. The federal tax
21 intercept proposal is a fair and simple way to enforce debts owed without
22 implementing a tax increase.

23 Wherefore your memorialist, the Senate of the State of Arizona, the House of
24 Representatives concurring, prays:

25 1. That the United States Congress enact S. 1287 or other similar
26 legislation that would authorize the United States Department of the Treasury
27 to intercept federal tax refunds to pay overdue victim restitution and other
28 financial obligations ordered by state and local criminal and traffic courts.

29 2. That the Secretary of State of the State of Arizona transmit copies
30 of this Memorial to the President of the United States Senate, the Speaker of
31 the United States House of Representatives and each Member of Congress from
32 the State of Arizona.